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7 **The Honorable Marsha J. Pechman**

8 IN THE UNITED STATES DISTRICT COURT

9 WESTERN DISTRICT OF WASHINGTON

10 AT SEATTLE

11 SCOTTSDALE INSURANCE
12 COMPANY,

13 Plaintiff(s),

14 v.

15 THERAPEUTIC HEALTH
16 SERVICES,

17 Defendant(s).

Case No. 2:24-CV-01518-MJP

STIPULATED MOTION TO STAY
PROCEEDINGS AND [PROPOSED]
ORDER

NOTE ON MOTION CALENDAR:
DECEMBER 10, 2024

18 **I. STIPULATION**

19 Plaintiff Scottsdale Insurance Company (“Plaintiff”) and Defendant Therapeutic Health
20 Services (“THS”), through their respective counsel, submit this Stipulated Motion and [Proposed]
21 Order to stay proceedings in this action until March 18, 2025.

22 Plaintiff filed this lawsuit seeking a declaration that it has no coverage or defense
23 obligations under the policy issued to THS with respect to four underlying lawsuits filed in King
24 County Superior Court (“Underlying Lawsuits”). Plaintiffs in the Underlying Lawsuits allege that
25 THS failed to adequately safeguard its security systems, resulting in a data breach that exposed the
26 private and confidential information of an alleged class of affected individuals.

1 THS and the plaintiffs in the Underlying Lawsuits are negotiating toward a potential
 2 settlement. Given the extensive issues in the Underlying Lawsuits and their evitable impact on the
 3 resolution of this case, the Parties in the present case respectfully request a 90-day stay of the
 4 proceedings. The requested time frame is likely sufficient to determine whether settlement
 5 discussions in the Underlying Lawsuits may be productive and result in a settlement in principle,
 6 which would assist the Parties in this case in identifying the proper next steps. In addition, a stay
 7 is warranted to conserve judicial resources and avoid unnecessary litigation expenses while the
 8 settlement efforts in the Underlying Lawsuit progress.

9 “The power of a federal trial court to stay its proceedings, even for an indefinite period of
 10 time, is beyond question.” *Cherokee Nation of Oklahoma v. U.S.*, 124 F.3d 1413, 1416 (Fed. Cir.
 11 1997), citing *Landis v. North American Co.*, 299 U.S. 248, 254-55, 57 S. Ct. 163, 82 L. Ed. 153
 12 (1936). As held by the Supreme Court, “[T]he power to stay proceedings is incidental to the power
 13 inherent in every court to control the disposition of the causes on its docket with economy of time
 14 and effort for itself, for counsel, and for litigants.” *Landis*, 299 U.S. at 254.

15 The Parties desire to stay this action, including, without limitation, THS’ responsive
 16 pleading deadline, discovery, expert disclosures, motions, and trials. The Parties have agreed that
 17 resolution of the issues would be aided by a stay until March 18, 2025. The Parties agree to submit
 18 a joint status report to the Court by March 26, 2025.

19 If any resolution of the Underlying Lawsuits is finalized and impacts the progress of the
 20 current case, or if efforts to resolve the remaining claims are unsuccessful, the Parties shall include
 21 in their joint status report all information normally included in the initial joint status report and
 22 discovery plan submitted under FRCP 26(f) and LCR 26(f).

23 In light of the foregoing, IT IS HEREBY STIPULATED AND AGREED by and between
 24 counsel for Plaintiff and Defendant that this action, including all deadlines and dates, should be
 25 stayed until March 18, 2025. The Parties respectfully request the Court issue an Order staying this
 26 case until March 18, 2025.

II. ORDER

Pursuant to the parties' stipulation, it is so ordered. This action and all litigation deadlines in the current Case Schedule are hereby STAYED until March 18, 2025. The parties shall file a joint status report with the Court no later than March 26, 2025. If any resolution of the Underlying Lawsuits is finalized and impacts the progress of the current case, or if efforts to resolve the remaining claims are unsuccessful, the parties shall include in their joint status the normal information submitted pursuant to FRCP 26(f) and LCR 26(f) regarding scheduling.

DATED this 11th day of December, 2024.

Wesley Belman

HONORABLE MARSHA J. PECHMAN
UNITED STATES DISTRICT JUDGE

DATED: December 10, 2024.

STIPULATED TO AND PRESENTED BY:

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